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C O N F I D E N T I A L SECTION 01 OF 02 BEIRUT 000269

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TAGS: [ETRD](#) [ECON](#) [EFIN](#) [PGOV](#) [PREL](#) [PTER](#) [LE](#)
SUBJECT: LEBANON: HADDAD STRESSES WTO ACCESSION, IPR
ISSUES IN FIRST MEETING WITH CHARGE

Classified By: Charge Michele J. Sison for
reasons 1.4 (b) and (d).

SUMMARY

¶1. (C) Minister of Economy and Trade Sami Haddad told Charge Sison that in Lebanese-U.S. discussions of Lebanon's WTO accession, there were numerous U.S. questions about pharmaceutical issues on import regimes, without any indication of actual infringements. Haddad would like to see some comparison to the U.S. regime, to see if it is similar. He has sent those questions to USTR and is waiting for a response. Haddad said he is uncomfortable with a U.S. request to reduce tariffs, which would mean a loss of approximately \$100 million a year in revenue for the GOL. He would like to see U.S. political support for Lebanon translate into support for WTO accession negotiations. On IPR, although there are still violations, and the Minister of Health is an obstacle, there are plans for improvement. Several draft laws are waiting for the Lebanese parliament to resume operations, although it is not known when that will be. End summary.

U.S. - LEBANESE TRADE GROWING,
BUT QUESTIONS REMAIN

¶2. (C) In an introductory meeting February 18 with Charge Sison and Econoff, Minister of Economy and Trade Sami Haddad, accompanied by his advisor Lama Ouiejian, explained that he is both liberal and pro-United States. He has some concerns about overall trade relations between the U.S. and Lebanon. Although he realizes that the Trade and Investment Framework Agreement (TIFA) signed in late 2006 was "largely symbolic," he still believes that there is room for informal TIFA Council-type meetings. Haddad is pleased with the growing trade with the U.S. but would like to better understand the reason for all U.S. rejections of shipments from Lebanon, especially those with phyto-sanitary issues. He wants to see the connection between defective products shipped to the U.S. and what is sold or left behind in Lebanon. Finally, he wants to understand better the political dimension of bilateral trade, asserting that he has not seen U.S. political support for Lebanon extended sufficiently in either the TIFA or WTO accession efforts.

WTO ACCESSION STILL A PRIORITY

13. (C) As for Lebanese accession to the WTO, Haddad is working on several fronts. Currently his staff is having discussions and video conferences with the EU on questions which came out of the last working party meeting in May 2007. Haddad would like to exploit multilateral cooperation on WTO accession. In regards to U.S. - Lebanese discussions, Haddad feels that there were numerous questions about pharmaceutical issues on import regimes, without any indication of actual infringements. Haddad would like to see some comparison to the U.S. regime, to see if it is similar. He has sent those questions to USTR and is waiting for a response. In addition, Haddad is uncomfortable with a U.S. request to reduce tariffs, which would mean a loss of approximately \$100 million a year, which is not acceptable to the GOL at this time. Charge pointed out to Haddad that U.S. funding for assistance with WTO accession issues will end in March 2008, and will only be continued under certain circumstances: Haddad must request the assistance, with a detailed proposal; there must be political will to move towards WTO accession; and there must be a government capable of passing the necessary legislation. (The Lebanese parliament has not met for 15 months and there is no indication when it will re-open again.)

IPR DISCUSSIONS ON SEVERAL FRONTS

14. (C) Regarding IPR issues, which are also a barrier to WTO accession, Haddad realizes that there is a long way to go. He has met several times with pro-IPR lobby groups in Lebanon, and he believes that "quite a bit" of what they claim is legitimate. He thinks the real obstacle to progress

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on IPR is the resigned Minister of Health, who has been complaining to the Prime Minister about the recent American Chamber of Commerce IPR ad campaign funded by USAID. The PM asked Haddad to meet with the health minister this week to discuss his concerns. Haddad said he will not "cave in" on everything that the legitimate industry wants, but he "will do what he can." The Ministry itself is planning a new campaign for what it calls IPR week in April, which will focus on the relative cost parity between legal and pirate cable TV services, with the objective of converting customers to legal services. Currently over 90 percent of viewers in Lebanon use illegal providers. Haddad also believes that the proposed law on unfair competition, when enacted and enforced, will solve many issues. So far, the Pharma trade group has not responded to a request for comments on the draft. In total, six draft laws on IPR issues have been sent to parliament, where they sit with no action expected because of Lebanon's ongoing political impasse.

15. (C) Haddad welcomed the February 24-26 visit of Treasury DAS Andrew Baukol, and is planning a trip to Washington later in the year to meet with the IMF prior to the spring meetings.

SISON